

PARTIAL TRANSCRIPTION - ORIGINAL FOLLOWS

After a series of militant and belligerent utterances which followed the President's speech in early August, it seems very unlikely that the Soviet Government came to realize that conitnuance on the same path was extremely dangerous and might well lead to general war. Accordingly, since the end of August there has been a noticeable softening of the Soviet line and a number of indicators of a desire to find some acceptable, peaceful solution of the problem.

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Against the foregoing background, it would appear from your conversations with Gromyko that the Soviet Union is tentatively offering the following solution of the problem of Berlin and Germany, which, in essence, involves concessions by the Western Powers in regard to certain all-German matters in return for a Soviet agreement on Berlin which apparently is to be worked out with the USSR and the GDR or, possibly, a "separate" arrangement. The Western concessions in the all-German field are as follows:

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The sealing-off of Berlin on August thirteenth and subsequent Soviet positions in regard to the immediate Berlin situation would seem to have been motivated largely by local situations (i.e., surge of refugees) and certain Soviet moves as part of the war of nerves and, in part, Soviet riposte to the Vice President's visit and the reinforcement of the Berlin garrison by fifteen hundred men (i.e., Soviet notes threatening action in regard to the air traffic to Berlin.) However, leaving these local actions aside, despite their immediate importance, there has been since the beginning of September a noticeable softening of the Soviet line, and all Soviet public utterances as well as private conversations that Khrushchev has had with visitors since this date have stressed the possibilities of negotiation rather than the militant threats of a Soviet intention to force upon the West a Soviet-dictated solution. (The Soviet resumption of tests, although in timing related to German crisis, was basically done for military reasons.)

This change may merely be one of tactics, and may be followed at the Party Congress by resumption of the hard militant line. It is noticeable, however, that no serious attempt has been made either in the talks you have had with Gromyko or in any of the conversations which Khrushchev has had with Western visitors to attempt to exercise any pressure on the Western Powers in regard to our measures of military preparations. It is therefore a possible conclusion that the Soviet Union is genuinely seeking a peaceful solution of the present crisis through the mechanism of discussion and negotiation rather than threat and demand. This form of variation of pressures is a classic Bolshevik method and it should be noted as merely an intimation of willingness to reduce original demands, which is not concessions in any sense of the word. Following this tactic, the Soviet Government will continue to attempt during this process to obtain the largest satisfaction of its original position, modified only by the necessity of avoiding war.

Against the foregoing background, it would appear from your conversations with Gromyko that the Soviet Union is tentatively offering the following solution of the problem of Berlin and Germany, which, in essence, involves concessions by the Western Powers in regard to certain all-German matters in return for a Soviet agreement to Berlin which apparently is to be worked out with the USSR for incorporation either in the peace treaty between the Soviet Union and the DDR or, possibly, a "co-ordinate" arrangement. The Western concessions in the all-German field are as follows:

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In regard to the Western concessions on Germany, the following points should be elaborated:

1. In what form would the recognition of German borders take place? Would a declaration not to use force in

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1. Recognition of the German frontiers to include the demarcation line between the two Germanys.
2. Respect for the sovereignty of the GDR.
3. Prevention of the spread of nuclear weapons and of transfer of such weapons to West Germany, and
4. Status of a free city of West Berlin.

In return for this, the Soviet Government is offering an arrangement in regard to the status of West Berlin as a free city with agreed guarantees as to access. There are many questions that require clarification before these intimations could form a basis of serious negotiations with the Soviet Union. In respect to the arrangement for West Berlin, these are:

1. Would this arrangement be negotiated directly with the Soviet Union without the direct participation of the GDR?
2. What would be the actual content of such an arrangement assuming it would be negotiated directly with the Soviet Union? Would it constitute a spelling-out of existing arrangements, in particular in regard to civilian air traffic, or would the Soviets insist upon a completely new agreement taking account of "the sovereignty of the GDR?" Would it attempt to include certain prohibitions on the life of West Berlin, or would it leave the current situation there unchanged?
3. Would the agreement be included in the Soviet-GDR peace treaty as obligations between the Soviet Union and the GDR or would it be a separate Four Power arrangement accepted and possibly adhered to by the GDR?

In regard to the Western concessions on Germany, the following points should be elaborated:

1. In what form would the recognition of German borders take place? Would a declaration not to use force in

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It is extremely important that these and other questions be thoroughly clarified with the Soviet Government before the conclusion can be reached that there is any basis for formal negotiations. They might well be asked of Mr. Gromyko by the President, or possible preferably by the Secretary, during Gromyko's visit to Washington, and I would venture to recommend that these questions should be phrased in such a manner as to make it plain to Mr. Gromyko that we are not disposed to accept any diminution in existing rights, both in regard to the freedom of the city of West Berlin and a guaranteed access, which the West and the West Berliners now have. In fact, my reading of the shift in Soviet position, backed up by the Intelligence conclusions on Soviet capability, reveals a large area of bluff in the public Soviet stand on Germany and Berlin, and that while if pressed too hard they might go through with their announced intentions, there is still a very large area of Soviet give which must be fully exploited. The essential difficulty in any negotiated settlement with the Soviet Union is that, if effect, the Western Powers will be asked to make what appear to American and world opinion to be genuine concessions in return for a maintenance of the status quo. It is therefore essential that our position in Berlin and the rights of the West Berliners would be somewhat improved in any agreement if we were to avoid dangerous and possibly disastrous psychological consequences.

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regard to these borders be sufficient? Could a distinction be made between the actual frontiers of Germany and the demarcation line between them?

2. What is meant by "respect for the sovereignty of the GDR? Would this require direct dealings with officials of that regime in the handling of the implementation of the agreement on access, and in what capacity would they act? Gromyko has intimated that this does not involve any form of recognition.
3. Would a reiteration of the existing limitations on West Germany as regard to nuclear weapons be sufficient or does the Soviet Union envisage some new quadripartite agreement on this point?
4. Would the status of a free city of West Berlin involve any impairment or limitation on the present freedom of activity in that city?

It is extremely important that these and other questions be thoroughly clarified with the Soviet Government before the conclusion can be reached that there is any basis for formal negotiations. They might well be asked of Mr. Gromyko by the President, or possibly preferably by the Secretary, during Gromyko's visit to Washington, and I would venture to recommend that these questions should be phrased in such a manner as to make it plain to Mr. Gromyko that we are not disposed to accept any diminution in existing rights, both in regard to the freedom of the city of West Berlin and a guaranteed access, which the West and the West Berliners now have. In fact, my reading of the shift in Soviet position, backed up by the Intelligence conclusions on Soviet capability, reveals a large area of bluff in the public Soviet stand on Germany and Berlin, and that while if pressed too hard they might go through with their announced intentions, there is still a very large area of Soviet pique which must be fully exploited. The essential difficulty in any negotiated settlement with the Soviet Union is that, in effect, the Western Powers will be asked to make what appear to American and world opinion to be genuine concessions in return for a maintenance of the status quo. It is therefore essential that our position in Berlin and the rights of the West Berliners be somewhat improved in any agreement if we were to avoid dangerous and possibly disastrous psychological consequences.

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Note: This paper has omitted entirely the question of the preservation of the occupation statute. In the conversations with Gromyko there was no reference to our intention of preserving this statute, and the Soviets appear to be quite adamant on this point.

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Copy to: Mr. McGeorge Bundy, The White House
S/P - Mr. George C. McGhee
E/F - Mr. Fred D. Koller
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